



# 2020 Annual Meeting of Stockholders

April 15, 2020



# Management Priorities in Response to Coronavirus Impact

## Employees

- » Support well-being of employees & communities during challenging time
- » Early and successful initiation of our business continuity plans
- » Significant majority of global workforce working remotely

## Clients

- » Operationally resilient
- » Laser focused on helping clients manage disruption and uncertainty
- » Digital capabilities enabling clients to continue operations

## Balance Sheet

- » Maintaining strong, liquid and lower-risk balance sheet
- » Supporting our clients and markets

# Our Business

Well-Diversified and Stable Franchise

Investment Services		Investment Management	
Asset Servicing   Pershing   Issuer Services   Markets Clearance and Collateral Management   Treasury Services		Asset Management   Wealth Management	
<b>\$12.0B</b> Revenue	<b>\$4.0B</b> Pre-tax Income	<b>\$3.7B</b> Revenue	<b>\$1.1B</b> Pre-tax Income
<p><b>Full range of financial operations, cash management and global payments services driven by technology</b></p> <p><b>\$37.1 trillion</b> AUC/A<sup>1</sup></p> <p><b>\$1.7 trillion</b> average USD cleared per day</p> <p><b>~7 million</b> global investor accounts at Pershing with over <b>\$2 trillion</b> under custody and/or administration</p> <p><b>&gt;\$30.0 trillion</b> assets on data and analytics platform</p> <p><b>\$3.4 trillion</b> average tri-party collateral management balances</p> <p>Process <b>&gt;\$2 trillion</b> of institutional payments per day</p>		<p><b>Global asset manager with eight specialized boutiques</b></p> <p><b>Strong wealth management with comprehensive offering</b></p> <p><b>\$1.9 trillion</b> AUM<sup>2</sup></p> <p><b>\$266 billion</b> total private client assets<sup>3</sup></p> <p><b>7th largest</b> asset manager worldwide<sup>4</sup></p> <p><b>13th largest</b> U.S. wealth manager<sup>5</sup></p> <p><b>4th largest</b> U.S institutional money manager<sup>6</sup></p> <p>Advising individuals, families and endowments/foundations</p>	

As of Dec. 31, 2019. Refer to the Appendix for respective important disclosures, disclaimers and reconciliations.

# A Dynamic Model Delivering Long-Term Value

## Attractive business model

- » Performs relatively well under stress
- » Clients are highly rated institutions, governments, endowments, pension funds
- » Diversified and stable business mix with high percentage of recurring revenue

## Risk profile

- » Limited exposure to credit and market risk
- » High-quality credit portfolio with majority of loans supporting operating businesses
- » Strong balance sheet with stable deposits and highly rated, liquid securities portfolio

## Operations

- » Prior investments strengthened technology infrastructure and operations
- » Enterprise-wide Resiliency Office ensuring first-line resiliency, coordinated response
- » Executing on comprehensive business continuity plans

## Strong Capital and Liquidity

Consolidated Regulatory Capital Ratios	Minimum Required <sup>1</sup>	Ratios (at Dec. 31, 2019)	Buffer
CET1 <sup>2</sup>	8.5%	11.5%	+300 bps
Tier 1 Leverage <sup>2</sup>	4.0%	6.6%	+260 bps
SLR <sup>3</sup>	5.0%	6.1%	+110 bps
Average LCR	100%	120%	+2000 bps

- Total average HQLA at Dec. 31, 2019 of \$168 billion<sup>4</sup>
- Under the annual CCAR stress tests<sup>5</sup>, our capital ratios decline meaningfully less than GSIB peers in a severely adverse scenario reflecting our defensive business model

Refer to the Appendix for respective important disclosures, disclaimers and reconciliations.

# Long Term Strategic Priorities Remain Unchanged

Drive Exceptional Execution, Accelerate Our Evolution

## **Building a Technology-Driven and Digital Culture**

Drive resiliency and security, enhance operational effectiveness and deliver more value for our clients across a broader set of their needs.

## **Enhancing our Operating Model to Improve the Client Experience**

Automating our end-to-end processes to improve quality, reduce structural costs, and increase productivity; enhanced discipline around operational performance.

## **Deepening Relationships and Boosting Client Value**

Revamping global client management and driving a high-performance culture to strengthen how we interact with, service and anticipate client needs; open-platform partnership approach to deliver new and unique solutions.

## **Expanding our Services and Driving Growth**

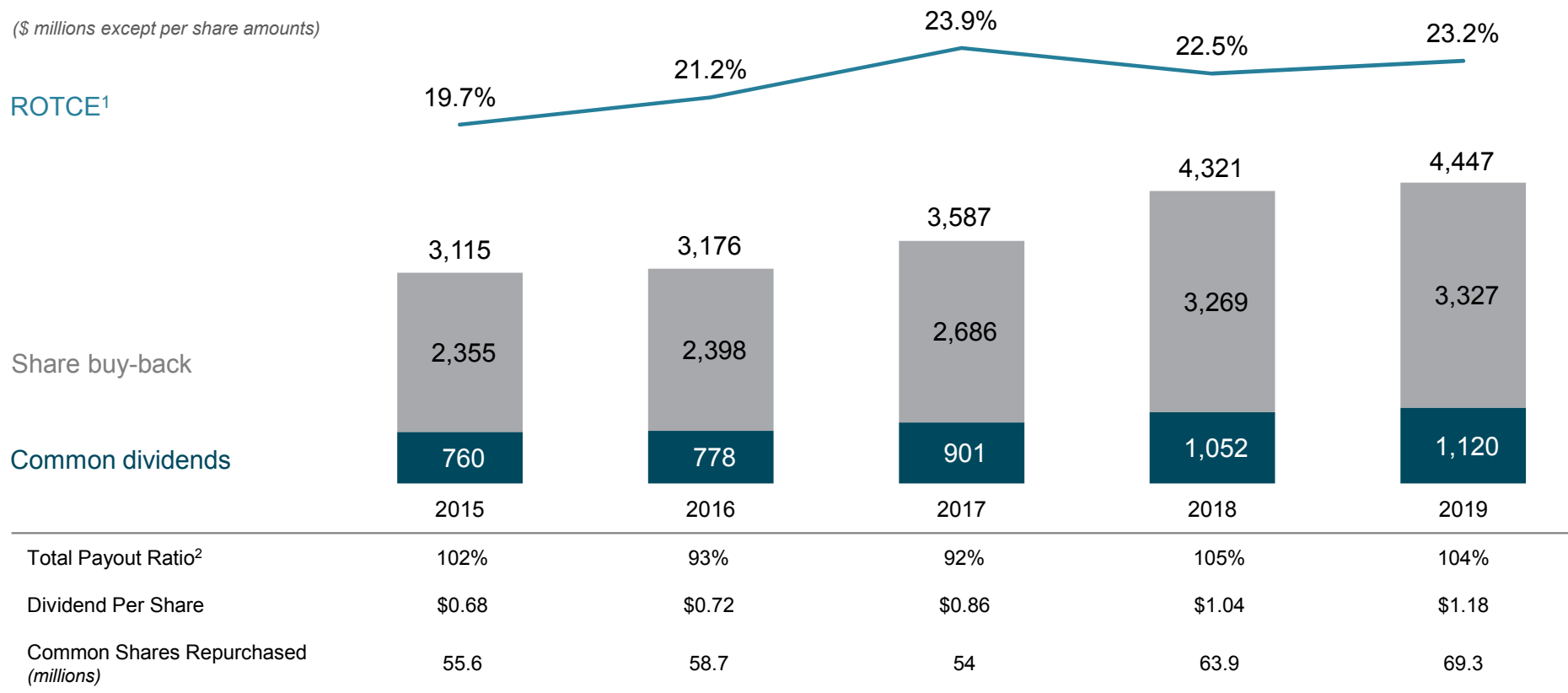
Focused on key geographies, broadening business capabilities and differentiating ourselves; capitalizing on synergies across our businesses.

## 2019 Financial Performance

\$ in billions, except EPS	2019 Reported	Impact of 2019 Notable Items	2019 Operating <sup>1</sup>	2019 vs. 2018 Operating <sup>2</sup>
Revenue	\$16.5	\$0.7	\$15.7	(4)%
Expense	\$10.9	\$0.1	\$10.8	(1)%
Net Income to common shareholders	\$4.3	\$0.5	\$3.8	(11)%
Operating Margin	34%	2%	32%	(230) bps
EPS	\$4.51	\$0.49	\$4.02	(5)%

NOTE: May not foot due to rounding.  
Refer to the Appendix for respective important disclosures, disclaimers and reconciliations.

# Attractive Shareholder Returns while Maintaining Capital Strength



NOTE: The above reflects GAAP measures unless noted otherwise  
Refer to the Appendix for respective important disclosures, disclaimers and reconciliations.



## In Closing

- » Sustainable and unique franchise with **scale and global diversification**
- » Focused on the **wellbeing of our employees and broader community**
- » Delivering value as a **trusted partner** to our clients
- » **Operational resiliency** in an unprecedented environment
- » Delivering on **strategic priorities**
- » Maintaining **low risk profile, and strong, liquid balance sheet**



2020 ANNUAL MEETING OF STOCKHOLDERS

# Q&A

# Cautionary Statement

A number of statements in our presentations, the accompanying slides and the responses to your questions are “forward-looking statements.” Words such as “estimate,” “forecast,” “project,” “anticipate,” “likely,” “target,” “expect,” “intend,” “continue,” “seek,” “believe,” “plan,” “goal,” “could,” “should,” “would,” “may,” “might,” “will,” “strategy,” “synergies,” “opportunities,” “trends,” “future” and words of similar meaning signify forward-looking statements. These statements relate to, among other things, The Bank of New York Mellon Corporation’s (the “Corporation”) expectations regarding: capital plans, strategic priorities, financial goals, organic growth, performance, organizational quality and efficiency, investments, including in technology and product development, capabilities, resiliency, revenue, net interest revenue, fees, expenses, cost discipline, sustainable growth, company management, deposits, interest rates and yield curves, securities portfolio, taxes, business opportunities, divestments, volatility, preliminary business metrics and regulatory capital ratios; and statements regarding the Corporation’s aspirations, as well as the Corporation’s overall plans, strategies, goals, objectives, expectations, outlooks, estimates, intentions, targets, opportunities and initiatives. These forward-looking statements are based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond the Corporation’s control).

Actual outcomes may differ materially from those expressed or implied as a result of the factors described under “Forward Looking Statements” and “Risk Factors” in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2019 (the “2019 Annual Report”) and in other filings of the Corporation with the Securities and Exchange Commission (the “SEC”). All forward-looking statements speak only as of April 15, 2020, and the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events. For additional information regarding the Corporation, please refer to the Corporation’s SEC filings available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

Non-GAAP Measures: In this presentation we discuss some non-GAAP measures in detailing the Corporation’s performance, which exclude certain items or otherwise include components that differ from GAAP. We believe these measures are useful to the investment community in analyzing the financial results and trends of ongoing operations. We believe they facilitate comparisons with prior periods and reflect the principal basis on which our management monitors financial performance. Additional disclosures relating to non-GAAP measures are contained in the Corporation’s reports filed with the SEC, including the 2019 Annual Report, and are available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).



2020 ANNUAL MEETING OF STOCKHOLDERS

# Appendix

# Disclosures & Disclaimers

## Slide 3

1. Includes the AUC/A of CIBC Mellon Global Securities Services Company, a joint venture with the Canadian Imperial Bank of Commerce, of \$1.5 trillion at Dec. 31, 2019.
2. Excludes securities lending cash management assets and assets managed in the Investment Services business.
3. Includes AUM and AUC/A in the Wealth Management business.
4. Willis Towers Watson, Oct. 30, 2019. Based on discretionary assets under management at the end of 2018; does not include saving/current accounts or assets unrelated to investment business, money market funds, advisory portfolios, or transactional assets. Analysis based on data supplied by third parties in U.S. dollars.
5. ADVRatings.com, Top Wealth Management Firms, by AUM as of Mar. 2019.
6. Pensions & Investments, May 2019. Rankings based on a survey of more than 580 investment management firms that provided information in response to an online survey. In order to qualify for inclusion the firm must manage assets for US institutional tax-exempt clients. Ranked by total worldwide institutional assets under management as of Dec. 31, 2018.

## Slide 5

1. Minimum requirements for Dec. 31, 2019 include minimum thresholds plus currently applicable buffers.
2. For our CET1 ratio, our effective capital ratios under U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches. The Tier 1 leverage ratio is based on Tier 1 capital and quarterly average total assets. The U.S. global systemically important banks ("G-SIB") surcharge of 1.5% is subject to change. The countercyclical capital buffer is currently set to 0%.
3. The SLR is based on Tier 1 capital and total leverage exposure, which includes certain off-balance sheet exposures.
4. Consolidated HQLA presented before adjustments. After haircuts and the impact of trapped liquidity, consolidated HQLA totaled \$149 billion at Dec. 31, 2019 and averaged \$125 billion for the fourth quarter of 2019.
5. Federal Reserve—Comprehensive Capital Analysis and Review (CCAR). BNY Mellon capital drawdown of 1.7% versus G-SIB average of 3.4%, excluding BNY Mellon.

## Slide 7

1. Reflects non-GAAP measures. See slide 14 for reconciliations. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).
2. Calculation is based off of operating results for full years 2019 and 2018.

## Slide 8

1. ROTCE represents the Return on Tangible Common Shareholders' Equity, a Non-GAAP measure and excludes goodwill and intangible assets, net of deferred tax liabilities. See slide 15 for a reconciliation.
2. Total payout ratio excludes preferred dividends.

## Full Year Results – Impact of Notable Items

	FY18			FY19		
	Results - GAAP	Notable items <sup>(a)</sup>	Results – non-GAAP	Results - GAAP	Notable items <sup>(b)</sup>	Results – non-GAAP
Fee revenue	\$12,842	\$(13)	\$12,855	\$13,236	\$815	\$12,421
Net securities (losses) gains	(48)	—	(48)	(18)	(25)	7
Total fee and other revenue (loss)	12,794	(13)	12,807	13,218	790	12,428
Income (loss) from consolidated investment management funds	(13)	—	(13)	56	—	56
Net interest revenue (expense)	3,611	—	3,611	3,188	(70)	3,258
Total revenue (loss)	16,392	(13)	16,405	16,462	720	15,742
Provision for credit losses	(11)	—	(11)	(25)	—	(25)
Noninterest expense	11,211	343	10,868	10,900	113	10,787
Income (loss) before income taxes	5,192	(356)	5,548	5,587	607	4,980
Provision (benefit) for income taxes	938	(188)	1,126	1,120	140	980
Net income (loss)	\$4,254	\$(168)	\$4,422	\$4,467	\$467	\$4,000
Net income (loss) applicable to common shareholders	\$4,097	\$(168)	\$4,265	\$4,272	\$467	\$3,805
Diluted earnings per common share	\$4.04	\$(0.17)	\$4.21	\$4.51	\$0.49	\$4.02
Average common shares and equivalents outstanding – diluted (in thousands)	1,007,141			943,109		
Pre-tax operating margin	32%		34%	34%		32%

(a) Includes adjustments to provisional estimates for U.S. tax legislation and other changes, severance, expenses associated with consolidating real estate and litigation expense, each recorded in 4Q18. Also includes expenses associated with consolidating real estate recorded in 2Q18 and adjustments to provisional estimates for U.S. tax legislation and other changes and litigation expense, both recorded in 3Q18. (b) Includes a gain on sale of an equity investment, severance, net securities losses and litigation expense recorded in 4Q19. Also includes a lease-related impairment and a net reduction of reserves for tax-related exposure of certain investment management funds recorded in 3Q19.

## Return on Common Equity and Tangible Common Equity Reconciliation

(\$ millions)	FY15	FY16	FY17	FY18	FY19
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	\$3,053	\$3,425	\$3,915	\$4,097	\$4,272
Add: Amortization of intangible assets	261	237	209	180	117
Less: Tax impact of amortization of intangible assets	89	81	72	42	28
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding amortization of intangible assets – non-GAAP	\$3,225	\$3,581	\$4,052	\$4,235	\$4,361
Average common shareholders' equity	\$35,564	\$35,504	\$36,145	\$37,818	\$37,505
Less: Average goodwill	17,731	17,497	17,441	17,458	17,329
Average intangible assets	3,992	3,737	3,508	3,314	3,162
Add: Deferred tax liability – tax deductible goodwill <sup>(a)</sup>	1,401	1,497	1,034	1,072	1,098
Deferred tax liability – intangible assets <sup>(a)</sup>	1,148	1,105	718	692	670
Average tangible common shareholders' equity – non-GAAP	\$16,390	\$16,872	\$16,948	\$18,810	\$18,782
Return on common equity (annualized) – GAAP	8.6%	9.6%	10.8%	10.8%	11.4%
Return on tangible common equity (annualized) – non-GAAP	19.7%	21.2%	23.9%	22.5%	23.2%

(a) Deferred tax liabilities are based on fully phased-in U.S. capital rules

# Definitions

## Acronym Definition

<b>AUC/A</b>	Assets under custody and/or administration
<b>AUM</b>	Assets under management
<b>CCAR</b>	Comprehensive Capital Analysis and Review
<b>CET1</b>	Common equity tier 1
<b>CLO</b>	Collateralized loan obligation
<b>EPS</b>	Earnings per share
<b>ETF</b>	Exchange-traded fund
<b>FX</b>	Foreign Exchange
<b>GAAP</b>	Generally accepted accounting principles
<b>G-SIB</b>	Global systemically important bank
<b>HQLA</b>	High-quality liquid assets
<b>LCR</b>	Liquidity coverage ratio
<b>RIA</b>	Registered independent advisor
<b>ROTCE</b>	Return on tangible common shareholders' equity
<b>SLR</b>	Supplementary leverage ratio



